

— P O L Í T I C A —

MARCO REGIONAL DE MOVILIDAD Y LOGÍSTICA

DE CENTROAMÉRICA





CENTRAL AMERICAN REGIONAL FRAMEWORK OF MOBILITY AND LOGISTICS POLICY

Central American Council of Transport Ministers,
COMITRAN

Central American Council of Ministers for Economic Integration,
COMIECO

Central American Council of Ministers of Treasury or Finance,
COSEFIN

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And

The Secretariat for Central American Economic Integration (SIECA)



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FOREWORD

In Central America, logistics is one of the factors that most significantly affects the economic development and competitiveness of the region. Conscious of this situation, the leaders of Central America in the XLV General Meeting of Heads of State and of the Government of the Members of SICA, expressed through the June of 2015 “Antigua” declaration:

"...(we declare) our satisfaction for the efforts that the Central American Council of Transport Ministers (COMITRAN) has developed in promoting a Policy Framework for Mobility and Logistics in the Central America Region, reiterating that the highest priority should be given to efforts to accelerate the design and implementation of the Policy Framework, which is why we instruct that the efforts are doubled in elaborating said Policy Framework, in coordination with the corresponding Committees of Ministers, the SIECA and the SG-SICA, with the technical and financial support of the Inter-American Development Bank (IDB), the Economic Commission for Latin America and the Caribbean (ECLAC) and the countries and multilateral organizations cooperating on this issue at a regional level."

With the objective of complying with this mandate, the COMITRAN, in coordination with the Central American Council of Ministers for Economic Integration (COMIECO) and the Central American, Panama and Dominican Republic Treasury or Finance Ministry Committee (COSEFIN), construct this Regional Mobility and Logistics Policy Framework, (Policy Framework), which has

used as its base, valuable technical contributions, studies and diagnostics from entities that helped in the process of its forming, such as; SIECA, IDB, ECLAC, JICA, World Bank, among others. For the development of this Policy, a Regional Mobility and Logistics Technical Committee was formed, coordinated by the Ministry of Public Works in El Salvador.

The object is to be a Reference Framework for the formation of a competitive, efficient, quick and safe Central American Regional Mobility and Logistics System, articulating the national policies of mobility and logistics, empowered by its complementary nature, its completeness and its sustainability, which contributes to orientate the national policies towards common regional objectives and strategies, through independent and coordinated actions for the construction of the Regional System, integrating the different modes of transport for the effective movement of people and the chain of supplies at a local, regional and global level, that contributes swiftly to sustainable economic and human development.

The policy gives the strategic guidelines for Mobility and Logistics, in such a way that, with a common vision and shared objectives, Central America adopts the political public policy and boosts private initiatives, through a Master Plan that allows it to position itself as a logistic hub of global importance by 2030.

ACRONYMS

A

AMEXCID: Mexican Agency for International Development Cooperation

C

CABEI: Central American Bank for Economic Integration

CBM: Coordinated Border Management

CLI: Intersectoral Logistics Commission

COCATRAM: Central American Commission of Maritime Transportation

COCESNA: Central American Air Navigation Service Corporation

COMIECO: Central American Council of Ministers for Economic Integration

COMITRAN: Sectorial Council of Transport Ministers of Central America

COSEFIN: Central American, Panama and Dominican Republic Treasury or Finance Ministry Committee

CTRML: Regional Mobility and Logistics Technical Commission

E

ECLAC: Economic Commission for Latin America and the Caribbean

EU: European Union

I

ICAO: International Civil Aviation Organization

ICCAE: Central American Aeronautic Training Institute

ICT: Communication and Information Technology

IDB: Inter-American Development Bank

IMT: Mexican Institute of Transport

J

JICA: Japan International Cooperation Agency

P

PNLOG: National Logistic Plans

R

RFID: Radio Frequency Identification

RICAM: Mesoamerican International Road Network

S

SAC: Central American Tariff System

SDGs: United Nations Sustainable Development Goals

SG-SICA: General Secretariat Central American Integration System

SICA: Central American Integration System

SIECA: Secretariat for Central American Economic Integration

T

TMCD: Short Distance Maritime Transportation

U

UIR: Upper Information Region

USAID: United States Agency for International Development

W

WB: World Bank

WTO: World Trade Organization





INTRODUCTION

The **Central American Regional Mobility and Logistics Framework Policy (Policy Framework)**, is made-up of diverse sectorial axes that govern the functionality of the modes of transport and determine the ability of logistics performance in the region: maritime - ports, aeronautic - airport, railway and road, as well as transversal axes that boost trade, productive transformation, the coordinated operation of the borders and the mobility of people. At the same time, it establishes the strategic guidelines for each one of the axes, defining the visions, long-term objectives and areas of intervention, and the corresponding prioritized actions.

Global trade is organized into large regional blocks that articulate between themselves in order to mutually benefit from their complementarity. According to the World Trade Organization, trade alliances, agreements and deals are increasing in frequency which permit the formation of extensive regional areas of free trade, such as the amplification of zones that integrate economies which share the same monetary policy, legal and regulatory frameworks, tariff policies, sanitation requirements, custom procedures, immigration policies, national and regional institutions etc., such as the case in the European Union, in which, due to the process of accession in 2016, 28 nations were incorporated to the Euro zone.

The association of countries that sign up to the Free Trade Agreements, look to prioritize the establishment of geographical areas in order to facilitate the preferential trade of goods and services,

integrate value chains and attract flows of foreign investment. The Central American economies cannot be the exception to this global tendency: its development and economic viability are tightly linked to the efforts at integration of the respective governments. The effectiveness of these countries to impulse models of development that improve the quality of life of its populations, can be considerably reduced and limited when those efforts are carried out in an isolated, independent and poorly communicated manner, given that these societies are highly interdependent.

In the field of foreign trade, for example, the offer of goods for exportation, characterized by concentrating on a few products and by attending a very limited number of destinations, depend greatly on the opportunities that the regional market offers.



Proyecto del aeropuerto de PALMEROLA en Honduras

In this context, it is of strategic national interest to each country, the consolidation of the political and economic process that has been pursued from 1960, in order to create a Central American Common Market, through the perfecting of the Customs Union and the formation of the Central American Common Market.

In fact, for the majority of Central American countries, the interregional market represents the second most important commercial partner, after the United States. According to reported statistics by the Secretariat for Central American Economic Integration, SIECA, the total value of the exportations from Central America in 2015 was US\$28,043.0 million, of which, 32.7% was destined for the intraregional market. In the case of importations, the economic complementarity of the Central American countries is also evident.

The total value of the imports in the region in 2015 were \$67,815.9 million, of which an important percentage came from the same countries that supply medicine, packages, plastic containers, food preparation, bread products, bottled water, agricultural products, among others, in such a way that, both for the demand and for the supply of goods and services, the countries of Central America depend on each other to stimulate their growth.

It is worth pointing out that the region has achieved important advances in integration: by December 2014, 96% of the tariffs in the Central American Tariff System, SAC, had been synchronized and conditions established for Free Trade for all native products with the exception of sugar and coffee.

Also, important advances have been achieved in the standardization of the Regional Normatives in the following areas: Timeframes:



Aeropuerto Internacional de Costa Rica, Juan Santamaría.

Origin of Goods, Services and Investment, Sanitary and Phytosanitary Measures (starting with authorizations and inspections of plants, registries, permits and border procedures), Trade Technical Obstacles, Boarder Facilitation and Technical Regulations for the production, packaging and labeling of products, and Good Manufacturing Practices, among others.

For the Facilitation of Trade, the Economic Integration Ministers approved in 2015 the Competiveness Facilitation Strategy, in which they defined a “Coordinated Border Management model” (CBM)” that considers the following transversal axes: the implementation of the Central American Digital Trade Platform, the classification and implementation of actions by pairs of countries and pairs of borders, and the creation and strengthening of National Trade Facilitation Committees in each country. The strategy also identifies a series of short, medium and long term measures in order to implement the model in the region. Currently, the short term actions are being implemented:

advanced declarations of goods, coordination of migratory controls, electronic submissions of sanitary certificates, registration through radiofrequency devices and the use of camera systems at borders. In order to deal with the medium and long term initiatives, some countries have advanced their preparation and implementation of border reform programs.

The regional institutionality that had been created through different Counsels, Regional Committees and SIECA, in topics linked with trade, mobility and logistics, currently are expressed in the Central American Council of Ministers for Economic Integration, COMIECO, Central American Council of Transport Ministers, COMITRAN, the Central American Council of Ministers of Treasury or Finance, COSEFIN, have allowed important advances in the constitution of the American Customs Union.

However, there still exists important tasks and challenges that must be taken aboard in a multidimensional manner in order to facilitate the transit towards a fully integrated region, within which the following can be mentioned: the adoption of a common external trade policy, the implementation of a regional support policy for internal production, the elimination of no-tariff trade barriers, the establishment of clear and transparent market conditions in order to stimulate investment, the adoption of processes and systems of information that create a more efficient flow of trade in both tributary and fiscal aspects, the creation of chains of productive regions, the definition of common origin rules for the products listed in chapters 60-63 of SAC, that allows the integration of textile and clothing industries in order to compete in other regions with comparatively clear advantages, the strengthening of



Cruise ship in Puerto Limón, Costa Rica.

the national and regional institutionality, the adoption at the highest political level, of a regional vision of Central America as one whole and the adoption of an integrated policy of mobility and logistics that raises the competitiveness of the productive units in the respective countries, among others.

In relation to the transport of people and the distribution of goods, Central America faces infrastructure, equipment, regulatory organizational, financial and human limitations, which maintain the region in a state of considerable underdevelopment, compared to other geographical areas on the planet, with respect to costs, times and process effectiveness.

In fact, the transport of cargo in Central America is carried out over multiple logistic corridors of a regional nature and despite the registered advances in recent years with respect to investments in

road connectivity and improvements in specialized infrastructure (e.g. port and aerial terminals, etc.), the region still confronts high logistical costs, which reach an average of a third of the value of the commercialized products. Its impact on perishable goods and the high added value is even more significant.

Central America finds itself in a very disadvantaged situation with respect to its performance in logistics, if it is compared with other regions in the world. It has been calculated that the average velocity of a loaded vehicle in the logistic route of Central America is 17 kilometers per hour and that transporting 1 ton of goods through one kilometer of the Central American road network costs US\$0.17, much higher when compared with other countries (US\$0.13 Nigeria, US\$0.11 in Burundi, US\$0.09 in Rwanda and \$0.02 in the United States).

FIGURE 1 Factors which determine the high regional logistics costs



This situation is exceedingly worrying since it is evident that the costs of managing the cargo have a great impact on the cost structure of goods (even more than the costs associated with the import tariffs), negatively affecting the competitiveness of the regional exports, due to a possible rise in the products cost of up to 30% because of the high costs of distribution.

This represents a central obstacle to the competitiveness of the region, to the increase of exports, to the reduction the imports costs, to the integration of the small and medium sized companies (PYME) in foreign trade and to the creation of an integrated regional value chain. Multiple factors explain the high logistical costs, which are summarized in figure 1.

At the same time, the demand for urban infrastructure is growing and represents a great challenge for the improvement of the mobility of people, to which are added

congestion problems, operative inefficiencies, accidents, pollution and the inefficient use of land resources – energy, that require integrated and sustainable interventions at a local, national and regional level.

Additionally, the regional logistic routes also pass through principal urban areas, affecting both the logistics costs and the mobility.



CHAPTER 1: CONTEXT

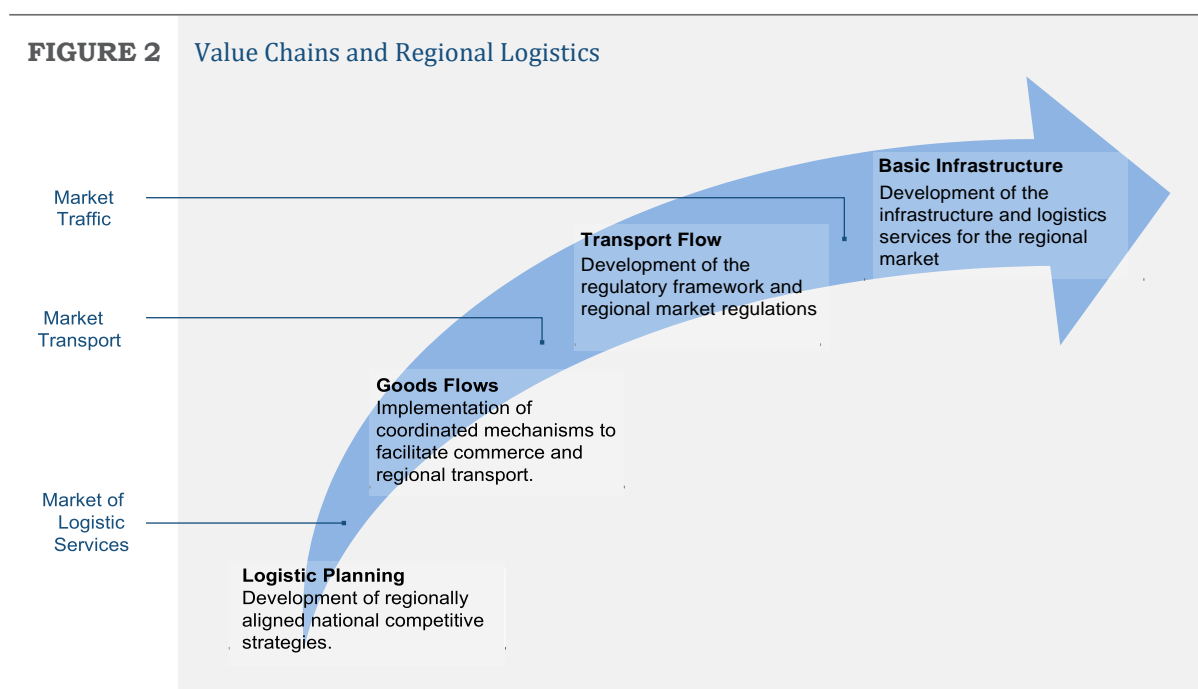
1.1. Regional Integration for Development

In the last few years, the Governments of Central America have defined as a political public priority, to reduce the administrative inefficiencies, legal inefficiencies, technical and institutional inefficiencies and to improve the conditions of the existing connectivity of the infrastructure, that translate into higher costs of transport and logistics which reduces the commerce flow in the region.

In this way, the Central American Council of Ministers for Economic Integration, the Central American Council of Transport Ministers, and the Central American Council of Ministers of Treasury or Finance,

have developed strategies and initiatives in order to improve competitiveness in the region. Even though the governments of Central America have made efforts to attend to the infrastructure and regional connectivity needs in a coordinated manner, there is still no comprehensive vision and shared integration of the logistics and mobility in the region. Meaning, they do not share a common horizon towards which the region should be guided that takes into account its potential and its geographical location which would allow its development as a logistical multimodal hub, nor have they developed the necessary

FIGURE 2 Value Chains and Regional Logistics





Panama Metro.

In the XLV Ordinary Meeting of Heads of State and the Governments of the member countries of SICA, the leaders agreed to raise the level of the logistics performance in the countries of the area, with the purpose of increasing competitiveness, contribute to an effective transformation and diversify production and facilitate trade inside and outside the region, considering it one of the factors of greater impact to achieve those objectives.

articulation for the strategies, guidelines, programs and plans to be adopted in each of the countries and for each Committee to improve its logistic performance in the region as a whole.

It is necessary that a clear vision is constructed both in the national and regional levels over the competitive positioning in each of the countries, which must be articulated with a logistics planning, based on a wide consensus and strong political leadership, that allows for sustainability in the long term, because a productive integration is not possible without an effective logistics integration that provides regulatory and physical support to the exchange of goods and services.

Therefore, it is important that each country elaborates the design of its own policies in these matters, in the same way as the institutions boost their logistics strategies so that they are independent and can respond to the needs determined by the context which each government can manage, but at the same time they should integrate in an efficient manner within the regional policies framework. In a way that, business leaders and academic institutions commit to the region with a shared goal, to position itself as an efficient logistical platform at an international level, under the principles of complementarity, specialization and integration, because alternatively, the public-private interventions that have been carried out to this date have been disjointed and uncoordinated, independent and atomized.

In this way, Central America must advance in accomplishing the following tasks:

- a. Formulate a Regional Policy Framework for Mobility and Logistics that provides the strategic guidelines of a regional and national order for the definition of the public policies and private initiatives in each country relating to those matters.
- b. To design a master plan that clearly establishes the areas of intervention (programs, initiatives and projects) from an integrated perspective and with a regional and national reach, in concordance with the strategic local plans, that is, attending the infrastructure needs, regulation needs, sustainability, operative requirements, and financial needs, equipment and training of human resources for each of the sectoral axes that affect the logistic performance.
- c. Elaborate a regional investment plan for prioritized infrastructure in order to cover the shortfall, obsolescence and deficiencies in infrastructure and equipment in ports, airports, railways, roads, logistics and borders, among others.
- d. Strengthen the regional and national institutionality to achieve the ministerial agreements and impulse a Regional Central America Agenda of Mobility and Integration, Treasury or Finance, and Transportation Ministries, the Secretariat for Central American Economic Integration, SIECA, and the formation of coordinated inter-ministerial spaces at a national level regarding logistics.

- e. Adopt mechanisms that guarantee the sustainability of the national and regional institutions that are responsible for the agenda, and
- f. To ensure the adequate allocation of technical and financial resources so that the national authorities subscribe to the agenda of regional mobility and logistics in a permanent and sustainable way.

In Central America, the opportunity to advance this field is significant, given the existence of an important shortfall in the provision of infrastructure and logistics services. It is estimated that the logistical costs due to this situation increase up to 50% the costs of the goods transported in the region. With the purpose of addressing this situation, it is necessary to deal with the following topics at a regional level:

- The lack of provision of infrastructure and services, both multimodal and at borders.
- Limited alternative routes (bypasses) in order to avoid cargo transit in urban centers.
- The non-uniformity of action and public visions and multiplicity in infrastructure and its services, and the consequent lack of integrity in the approach to the policies in their conception, design, implementation, follow-up, inspection and evaluation.
- The presence of failures and institutional and regulator difficulties, in both the driving of the policies and in the organization of the markets.
- The lack of sustainability criteria in the infrastructure service policies, especially in transportation.

- Insecurity in the international trade routes.
- Lack of homologation and harmonization in multimodal legislations and/or procedures of multimodal transport, immigration quarantine, and sanitary aspects, among others.

In this way, for Central America to advance in the facilitation of trade and raw material, consumables, materials, capital goods and finished products, it must have, as well as a properly implemented Trade Facilitation Strategy with a first class logistics service, an integrated logistical infrastructure base, at a national level and regional level, that permits accessibility from the different modes of transport towards the interior of the countries.

The urban center growth and the requirements of greater competitiveness in the regional and international markets create constant demands in transport infrastructure and generate a logistic asset deficit that can condition growth and regional integration. Programs of infrastructure at a national and regional level, together with synchronized regulatory structures and the generation and boost of the capabilities and potential of human talent, have been identified by the countries of the region as the best regional strategy to articulate transport, the logistics and mobility of goods and people for the vision previously mentioned.

An adequate availability of regional infrastructure and logistics, such as the availability of efficient associated services, will allow:

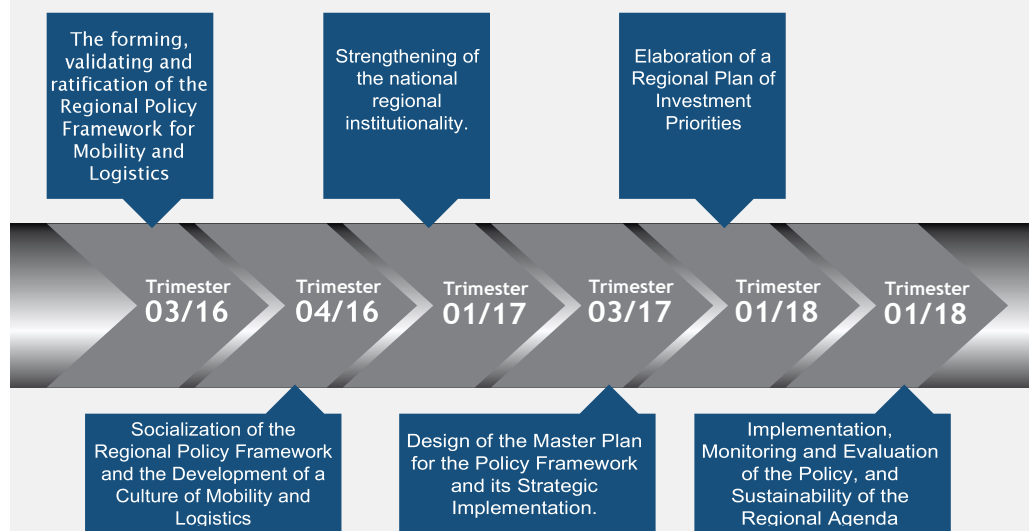
- a. The safe, efficient, and sustainable mobility of the population.

- b. Access to a wider market and a reduction in the costs of mobility of people, goods and services.
- c. A real integration and specialization in the regional infrastructure, avoiding the multiplying of projects with the necessary synergies at each level.
- d. The multidimensional and effective interconnection that guarantees the continuous and safe movement of the supply chain for the countries of the region.
- e. Develop and improve the connective network in each of the countries in Central America and reduce the existing imbalances between them.
- f. Optimize the chain of regional production and the commercial interregional potential.
- g. Develop a regional policy that will allow integral interventions that amplify the possibilities in the global market.
- h. For that, the Policy Framework will facilitate the coordination and harmonization of the procedures to provide intraregional infrastructure with an outlook to favor the complementarity between the different economies, in this way reducing the operating costs, as well as the negative externalities to both the environment and society.

In this matter, it is undeniable the need to articulate a regional policy that attends to the common deficiencies that affect the costs of logistic in the region and an urban mobility that is efficient, accessible, sustainable and safe.

For this reason, it has been agreed to prepare this Central American Regional Policy Framework for Mobility and Logistics.

FIGURE 3 Initial Timeframe of the Strategic Phases



which will service as a framework of reference for the respective national policies.

Given the multidimensional character of this effort, the forming and implementation of this Policy requires articulating the work that will be carried out by the ministerial councils that make up the Central American Council of Ministers for Economic Integration, for the subject of mobility and logistics, COMIECO, responsible for the economic integration and the facilitation of trade, COMITAN, in charge of the infrastructural logistics aspects and the transport of goods and people, and COSEFIN, responsible for the harmonization, convergence, development and coordination of the fiscal policies. Furthermore, the Policy Framework must be aligned with other national and regional initiatives linked with development: energy efficiency, diversification and productive transformation, the facilitation of trade, sustainability of natural resources and territorial development, among others.



Oscar Arnulfo Romero Airport in El Salvador.

In order that the process of regional integration and the promotion of the Policy of Mobility and Logistics materializes in strategic plans that encourage the economic development and human development in the region, it is crucial that both the Central American Integration System (SICA) and the Secretariat for Central American Economic Integration (SIECA),

entities in charge of coordinating the efforts in terms of integration together with multilateral institutions such as IDB, ECLAC, and international cooperation agencies, provide assistance in the elaboration and implementation of this policy.

In the implementation of this policy, it must be made a priority the mechanisms that ensure the correct coordination and articulation between the public intervention and the logistic sectors and mobility and other public policies. For example, the public policies of logistics (and large components that condition its performance) coincide with the policies of the economy, environment, territory, regional integration, etc. In the same way, the policy of mobility must coordinate with the aspects of national policies that affect or are affected by mobility, especially, the fiscal policies, environment policies, foreign trade policies, macroeconomic policies, workplace policies, health policies etc.

For this reason, the Policy Framework must be constituted based on establishing “State Policies” in each one of the countries in Central America, and transcend the scope of specific sectors of its governments. Its implementation must be addressed within coordinated intersectoral agendas, and make it a country/regional project, that gathers business people, academics and civil societies in the search for joint solutions of the challenging problems that limit our possibilities of grown and development.

1.2. Regional agreements that support the Policy Framework

Protocol of Guatemala

The Central American Economic Integration General Agreement Protocol establishes in article 28, paragraph 1



Internacional Airport of San Pedro Sula, Honduras.

“The States involved commit to promote the development of the physical infrastructure and services, particularly... transport... in order to increase the efficiency and the competitiveness of the productive sectors. In the same way, they agree to harmonize the policies of the provision of services in the infrastructure sectors...”

Article 29 states

The states involved commit to define a regional strategy of private participation in the investment and in the provision of services in infrastructure sectors”

These legal mandates are substantial in order that public entities of authority can establish the necessary means for their compliance. The definition of a Policy Framework is an appropriate response to the mandate of the Protocol of Guatemala.

Regional Presidents’ Commitments

“To express our satisfaction for the efforts of the Sectorial Council of Transport Ministers of Central America (COMITRAN)” has made in



Overpass of the United Nations roundabout in San Salvador.

promoting a Policy Framework of Logistics and Mobility in the Central American Region, reiterating that they assign the highest priority to the task of accelerating the design and implementation of the Policy Framework, we instruct them to double their efforts in its elaboration, in coordination with the corresponding Ministry Committee, SIECA and SG-SICA, with the technical and financial support of the Inter-American Development Bank (IDB), the Economic Commission for Latin America and the Caribbean (ECLAC) and the countries and multilateral organizations to cooperate on this issue at a regional level”.

XLV Ordinary Meeting of Heads of State and Governments of Country Members of SICA, 2015

“To instruct COMITRAN, COMIECO and COSEFIN, to continue with the process of validation and socialization of the Regional Policy Framework of Mobility and Logistics and Central America, and with the process of the elaboration of

the corresponding Regional Master Plan.”

XLVIII Ordinary Meeting of Heads of State and Governments of Country Members of SICA, 2016

COMITRAM Policy Framework Formulation:

[...]To boost the elaboration of a set of public regional policies about mobility and logistics [...] such as strategies that allows joint advancement of the task of lowering the costs of production and exportation, to generate competitiveness and quality jobs. This set of policies will be the framework of the national policies that will boost the ministries of transportation of the respective countries [...].

Agreement No. 10-2014, XXXIII COMITRAN



International Airport, Augusto C. Sandino, Nicaragua.

Elaboration of National Policies:

In order to develop the regional policies of mobility and logistics and to complement them, there will be an elaboration of national plans or integrated policies of mobility and logistics launched from each one of the Ministries of Transport [...].

Agreement No. 11-2014, XXXIII COMITRAN

Creation of the Regional Mobility and Logistic Technical Committee

[...] Each country will appoint a professional linked to the ministerial authorities to integrate the Regional Mobility and Logistics Technical Committee for the design of the Mobility and Logistics Framework Treaty.

Agreement No. 3-2014, COMITRAN EX (11 de November de 2014)

[...] It is requested that the Committee and SIECA start to map and integrate proposals that avoid dispersion and fragmentation of the efforts, ensuring the integration and consolidation of instruments. This is done with the object of strengthening the capacities of the region in order to trace, gather, systemize and classify information, and studies about the subject and, above all, to give potential to the use of this information in the process of making logistical and mobility decisions in the region.

Agreement No. 09-2015, XXXIV COMITRAN

COMIECO – COSEFIN – COMITRAN Intersectoral Support

[...] Support, accelerate and deepen the work of designing the Regional Policy Framework.

Agreement No. 01, 1st. Intersectoral Meeting COMIECO – COSEFIN – COMITRAN, (October 2015)



Port of Quetzal, Guatemala.

1.3. Areas of Impact Anticipated by the Policy Framework

- a. Increase the productivity of the trade sector that contributes to elevate the sustainability of human development in the region.
- b. Invigorate and facilitate commercial exchange.
- c. Optimization of the resources and costs of production, principally the logistics, to achieve a greater integration and links between the countries and related institutions.
- d. Better articulation of the different modes of transport in the region in order to improve the regional connectivity.
- e. Ensure the mobilization of people and cargo.
- f. Rally and coordinate public, private, national, regional and foreign investment.
- g. Multiplication of jobs, raise the quality of life of the population and accelerate and deepen the economic development of the region and each of its countries.
- h. Reduction of the effects of climate change on the region, derived from a better optimization of the mobilization of cargo.



CHAPTER 2: Regional Mobility and Logistics Policy Framework

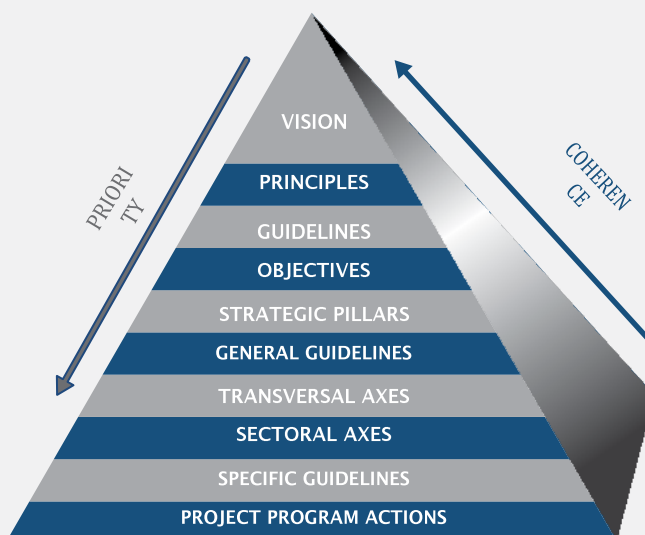
2.1. Vision

Central America will be a more integrated and competitive region, that mobilizes its population and supply chain in a more effective manner, that increments and diversifies its trade, that boost the complementarity and the transformation of the regional productivity (value chains) that promotes a sustainable territorial development, balance and resilient and improves the quality of life of its population.

2.2. Conceptual Framework

The Policy Framework is built upon the base of a conceptual framework that integrates, in a sequential manner: i) principles; ii) guidelines, iii) objectives; iv) pillars; v) general guidelines, vi) transversal axes, vii) sectoral axes, viii) specific guidelines; and ix) the corresponding project program actions. The Framework is illustrated below in figure 4.

FIGURE 4 Conceptual Framework

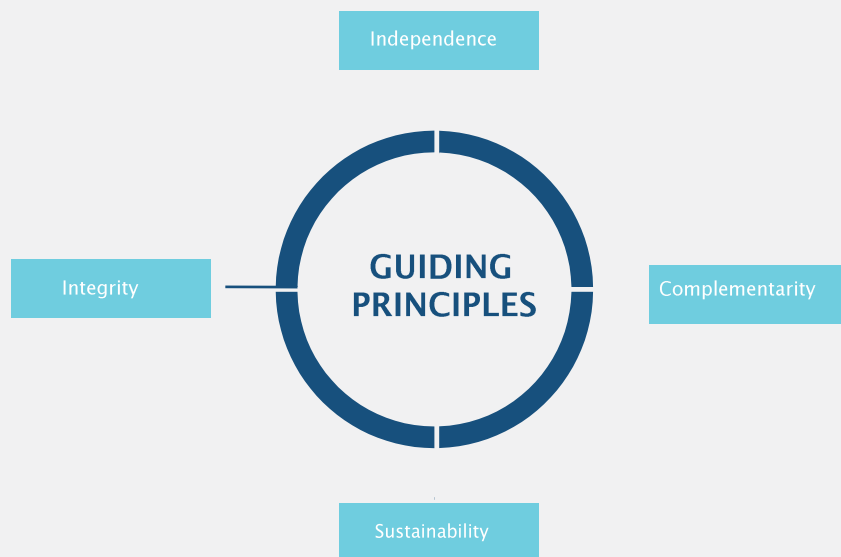


2.3. Policy Framework Guiding Principles

The regional nature of this Regional Framework for Mobility and Logistics Policy makes it necessary that it be based on the following principles:

- a. **Independence:** Meaning that all the efforts to consolidate the regional integration do not take away the autonomy of each one of the States, which will adopt their own policies based on their own interests, needs and aspirations, but looking to deepen the integration and align the common objectives, since the opportunities for individual growth are boosted when Central America acts together. In this way, the independent will and self-determination of each country can and should be reconciled with an integrationist vision, considering that the regional regulatory framework ensures that the resolutions of COMITRAN are strictly complied with.
- b. **Complementarity:** Take as a central premise, the complementary character and the benefits of the articulation of the national policies in order to consolidate the Regional System of Mobility and Logistics, efficient and competitive. The synergies developed for this complementarity will permit harmonizing the public and private interests and transform them from national policies of the State to regional policies; of the physical integration to an integration of the regional system, and to the articulation of the organizations at a homogenized and unified normative, without taking away from the principles of National Sovereignty and human development in each country.
- c. **Integrity:** Part of a holistic and systematic vision, carries with it the inclusion of all parts, but also the understanding that all the dimensions and all the areas and mediums necessary to achieve the objective are in place. It implies the alignment of the objectives from the sector with a national and regional vision that includes

FIGURE 5 Guiding Principles



sectoral transportation infrastructure and services, and considers all modes of transport in the same analysis process which implies a planned and coordinated implementation of actions on behalf of the public and private sectors involved.

- d. **Sustainability:** Promote a positive and balanced impact on all the dimensions of sustainable development: economic, social, environmental, and institutional; with a long term vision and a sense of predictability and consistency. All to ensure the longest possible reach over time, in such a way as to ensure the quantity and quality of resources are sufficient for human subsistence and for current and future generations, without putting at risk the indicators of debt level in the countries of the region.

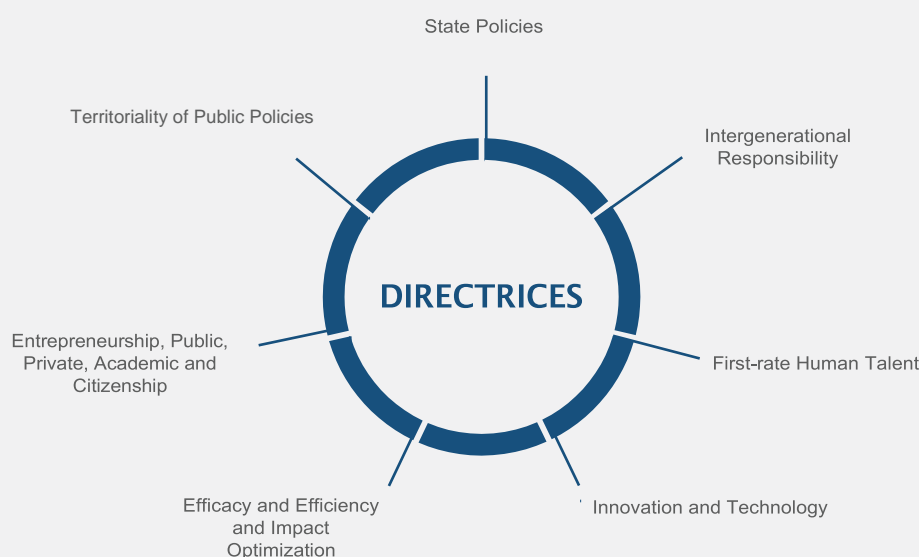
2.4. Policy Framework Guidelines

The objective of the guidelines that are listed below are to work as a reference respecting the guiding principles that guide the concept and the application of measures to improve the regional performance in the areas of intervention and in the transversal axes and sectors stipulated by the Policy Framework.

2.4.1 State Policies

Due to the fact that cycles of infrastructure generally exceed the duration of government mandates, it is essential to establish a time horizon and sufficiently robust institutionality to conceive and implement adequate solutions in terms of reach, resources, time and independent follow-up, independent of the political atmosphere. For this reason, the Policy Framework must serve as a base to establish “State Politics” in each one of the countries, requiring it to transcend political cycles,

FIGURE 6 Guidelines



to be subject to the appropriation of the business and academic sectors, the civil society and the different government sectors of the government linked with its implementation, and to be orientated towards impacts in the long term. In order to accomplish this, those policies must be sustained in the conscience of the citizens and in the political agreements, and unmistakably founded in the strengthening and respect for the State constitution, social and democratic, in principals of the law and in an institutionality transparent and reliable.

2.4.2 Intergenerational Responsibility

The plans, programs and projects, particularly the investments in infrastructure and equipment, that are implemented in order to improve the performance of the mobility and logistics in the region, must be orientated towards the goal of intergenerational benefit, that is, to contribute to elevate the quality of life and the sustainability of future generations.

2.4.3 Legacy of Human Talent

The Policy Framework must give priority to the empowerment of the vocations and human capacities in the subject of mobility and logistics, through the formation and training of human talent, as well as the timely access to the development of advanced and specialized knowledge, so that it contributes to raise the productivity of the labor in Central America.

2.4.4 Innovationy Technology

The intensive use of motorization, tracking, communication and information technologies must also be promoted so that Central America achieves qualitative improvements in the logistics performance and in the mobility of people, in a relatively short period of time.

2.4.5 Efficiency, Effectiveness y Impact Optimization

The quality improvement in the regional logistics performance will be promoted, as well as the mobility of people, through the optimum combination of the different modes of transport of people and goods. In this way, political efficiency and effectiveness will be sought after through integral multi-sectoral and multi-level solutions, in order to achieve improvements in the variables of economic and social development. In other words, that the processes of planning and implementation of this Policy, will take into account the different territorial levels: local, national and regional, each with its respective interests, potential, challenges and development gaps, in their complementary relations, of cooperation and of conflict.

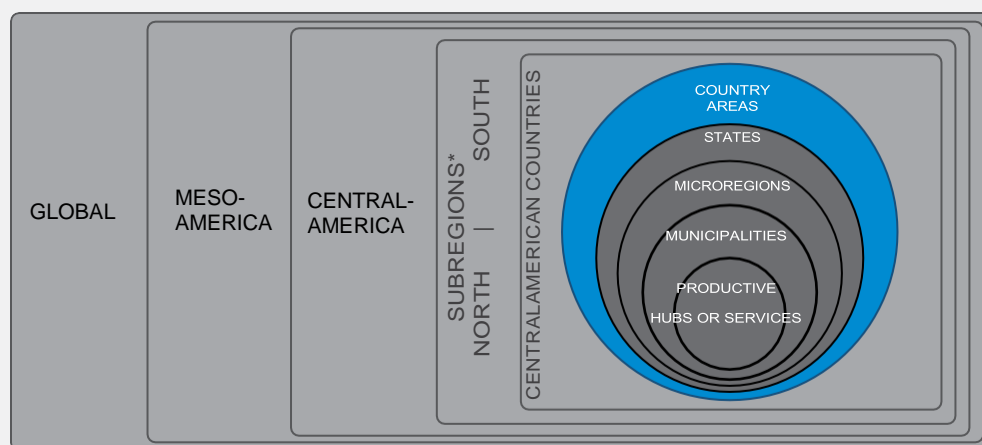
2.4.6 Public, private, academic, and citizen entrepreneurship

This Policy should articulate the public, private, academic and citizen initiatives in a wide and sustained manner, in a processes of prospective planning, identification of mechanisms of finance, construction of strategies, formation of human talent and the development of follow-up instruments, monitoring and evaluation of the implemented initiatives to increase the achievement of strategic objectives.

2.4.7 Public Policy Territorialisation

Public policies derived from the Policy Framework must be territorialized, so as to achieve an effective integration of objectives, plans, strategies, programs and projects, at the different territorial levels as they appear in the following figure, starting in an articulate way, from the hubs of production or services, respecting

FIGURA 7 Territorial Plan in the Policy Framework



*In Central America, the term "sub-regional" is used, where diverse initiatives can take place, for example, for peer countries, north triangle (Guatemala, El Salvador, Honduras), south triangle (Nicaragua, Costa Rica and Panama), CA4 (Guatemala, El Salvador, Honduras and Nicaragua), among other. Furthermore, there is an association with the other countries around the world (global).

the administrative policy management in each country, until it is part of the Mesoamerican and global sphere of influence, in the end, to ensure the highest human, social, economic and environmental impact.

2.5. Objectives

2.5.1 General Objective

To provide and invigorate the regional framework in order to articulate the national policies of mobility and logistics to potentiate in its complementarity, the integrity and the sustainability that contributes to guide the national policies towards common regional objectives and strategies, through independent and coordinated actions for the construction of a competitive, efficient, quick and safe Regional System of Mobility and Logistics that integrates the different modes of transport for the effective movement of people and a local, sub-regional, regional and global supply chain

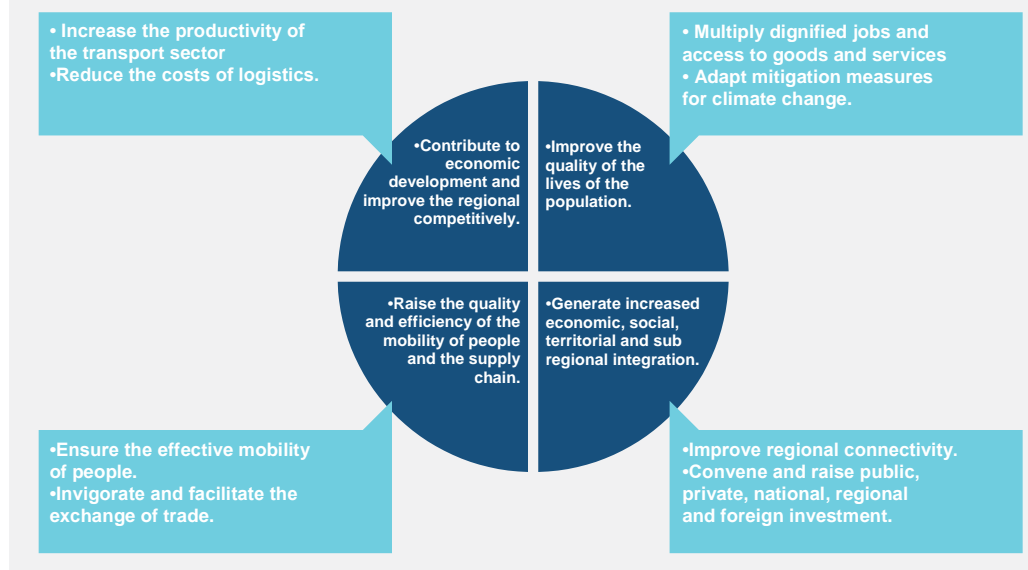
of goods that contributes to an increase in sustainable economic development and human development.

2.5.2 Strategic Objectives

The Policy Framework will aim to achieve four strategic objectives:

- Contribute to economic development and improve the regional competitiveness.
- Contribute to a better integration in order to improve quality and efficiency in the mobility of people and the supply chain.
- Generate a greater economic, social, territorial and sub-regional integration.
- Improve the quality of lives of the population.

FIGURE 8 Strategic Objectives and Principal Impacts



2.5.3 Congruence with the Sustainable Development Objectives –ODS-

The objectives of this Policy are compatible and complementary with some of the commitments made by the governments of Central America in the 2030 United Nations Sustainable Development Agenda. In fact, the SDG9: “To build resilient infrastructure, to promote inclusive and sustainable industrialization and to foster innovation” and in particular the goal 9.1: “To develop reliable, sustainable resilient and high-quality infrastructure, including regional and cross-border infrastructure, to support economic development and human well-being, making emphasis in affordable and fair access for everyone”, are fully recognized in the guidelines of this policy.

In the same way, ODS 11: “Achieve inclusive, safe, resilient, and sustainable cities and human

settlements” specifically, goal 11.2 “From now until 2030, to provide access to safe, affordable, accessible and sustainable systems of transport for all and to improve road safety, in particular during the increased use of public transport, giving special attention to the needs of those in vulnerable situations, woman, children, people with disabilities and elderly people”, it will be achieved through the successful implementation of the Policy Framework. Furthermore, the implementation of the guidelines that are presented in this instrument will allow the ability to attend to the challenges related to development variables and to achieve long term objectives such as “promote sustained, inclusive economic growth, full and productive employment and dignified work for everyone” (ODS 8) and “To achieve higher levels of economic productivity through the diversification and technology modernization and

innovation, among other things, focusing on high added value sectors and on the intensive use of manual labor”.

Finally, as a result a Governance Week, developed in the headquarters of ECLAC in Santiago, Chile on the 7-11 of November of 2016, the participants of the ministerial delegations of 20 countries of Latin America and the Caribbean, including the countries of Central America, formed and agreed on a series of recommendations, with the goal of promoting a common vision towards a better governance of infrastructure, in line with the 17 Sustainable Development Objectives (ODS) in the 2030 United Nations Development Agenda.

2.6. Strategic Pillars

In accordance with the defined strategic objectives, the Policy Framework will promote actions based on the following pillars:

2.6.1 Regional Character:

The Policy Framework must be projected and developed under a regional approach that integrates the economies of its territories and their populations, according to the changes in global growth of production and the markets, the demand of a complementary integration for the effective movement of the supply chain and the service of transport of people between the countries of the region.

2.6.2 Co-Modal Focus:

The Policy Framework requires a development and a coordinated momentum, integrated, functional and efficient in the diverse modes of transport that are environmentally friendly for the mobility of the supply chain and its effective operational integration,

that at the same time, encourages the movement of goods, develops an integrated system of collective transport, functional, comfortable, accessible and safe, in a way that demands unobstructed border transit. For co-modality, it is understood that the optimum use of each type of transport and its eventual combination, proves efficient and socially sustainable when the journey is completed in accordance with the particular transport needs and the distance required.

2.6.3 Integrated Distribution Chains:

The implementation of the Policy is key to unchaining in the region, an integral, efficient, and competitive management of the supply chain at a regional level, together with the systems of transport, the inherent systems for treatment and conservation of tradable goods such as the cold chain, technologies, means and activities that make our economies profitable, the inter-regional trade and the access to strategic markets.

2.6.4 Public – Private Cooperation:

The Policy Framework has as a building block, the consensual vision and the public-public complementary ventures between the States of the region, and in each country, between the central government and the individual local governments to understand each other and in a decisive manner, the public and private ventures in its different forms and levels. The public - private cooperation its synergies are indispensable, from the identification of opportunities and objectives, to the phases of planning, design, implementation, monitoring and evaluation of the strategies, programs and project, with shared visions of short, medium and long term goals.

2.6.5 Mobility of People:

The policy was conceived based on an intelligent system for the mobility of people that guarantees the users fair accessibility, reliability, security, comfort and environmental sustainability, whose management models ensure the minimization of external costs and the impacts of the operations on the ecosystem, the biodiversity, the landscape and the fragmentation of land.

2.7. General Guidelines

The Policy Framework will promote the following general guidelines, which are common and transversal to each of the axes:

2.7.1 Sequential Incorporation of Value:

The Policy Framework must prioritize the contribution to the creation and strengthening of the regional value chain, with a view to invigorating the sustainable growth of the Central American economies.

2.7.2 Reduce the Costs and Time of the Logistic and Mobility Operations:

All the sectoral policies must contribute to improving the national - regional logistic performance and reducing the costs.

2.7.3 Improve the Availability and Quality of Infrastructure and Equipment:

The provision of infrastructure must be optimized for transport, logistics and mobility, searching for the development of appropriate logistic corridors (nationals and/or regionals). For this, the complementarity and coherence of the contemplated actions in the Central American Trade and Competiveness Facilitation Strategy must be ensured for this and any other related policy.

2.7.4 Achievement of a Sustainable Modal Integration:

In order to achieve sustainable logistics and mobility, the sectoral policies must promote a matrix of co-modal complementary transport and systems of transport – integrated logistics, which stimulate a better transportation offer.

2.7.5 Reduce the Transport Operations Insecurity:

The sectoral policies must address this issue in a direct way, promoting a coordinated focus between the public and private sector with adequate categorization and monitoring of the risk factors.

2.7.6 Reduce the Negative Externalities in the Environment and Society:

The sectoral policies must look to reduce the negative environment and social externalities, taking into account subjects such as contamination, energy consumption, the importance of incorporating methods of adaption – mitigation to climate change, including basic social aspects such as road safety, reduction in accidents, improvement of public transport services, etc.

2.7.7 Promote the Adoption and Use of Tools and Communication and Information Technology (ICT):

The sectoral policies must promote the use of information technologies and communications in order to ensure efficient logistics and mobility systems, orientated to promote the traceability of cargo, the incorporation of technology for the handling of cargo (e.g. consolidation, deconsolidation, tagging etc.) the creation of integrated distribution chains and the improvement of mobility in order to achieve quality services and efficiencies in costs.

All in coherence with the similar measures contemplated in the Central American Strategy for Trade Facilitation.

2.7.8 Ensure Integrated and Coherent Regulation and Institutional Framework:

Promote sectoral legislation condensed into one unique legal framework, with adequate attention to the creation of an adequate institutional setting and to the generation and sharing of information, such as strengthening the related regulations of mobility, logistics and international transport.

2.7.9 Incorporating Sectoral Planning Tools:

The sectoral policies must stimulate the incorporation of tools for territorial planning that promote the sustainability and the development of infrastructure with a short, medium and long term vision.

2.7.10 Promote Human Technical Training and Institutional Strengthening:

The sectoral policies must contemplate the appropriate training and availability of human

resources for the design, implementation, follow-up and evaluation of the sectoral frameworks.

2.7.11 Use of Monitoring Tools and Strategic Evaluation:

The sectoral policies must make use of the monitoring and evaluation systems, with the objective of following-up on the process of the implementation of reforms and their impact on the goals laid out for each area.

In addition to the general guidelines, the Policy defines the specific guidelines for each of the axes, which are developed in a detailed manner in Annex 1 of this document.

2.8. Policy Framework Axes

The Policy **contemplated two transversal axes**, which are comprised of: (a) the public interventions and private initiatives that influence the regional **productive and commercial areas**, and (b) those which are orientated towards the conditions of the **mobility of people**.

FIGURE 9 Transversal Axes

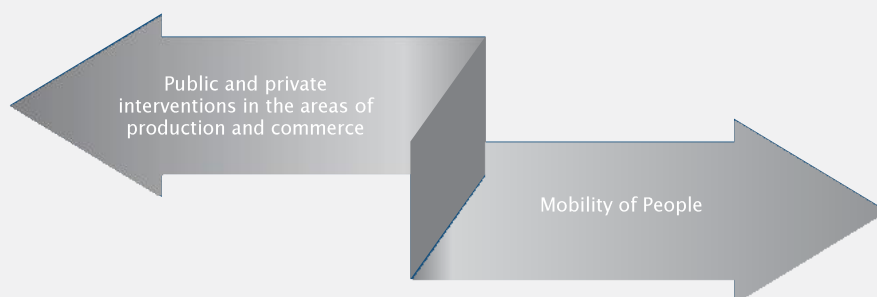


FIGURE 10 Sectoral Axes



Metropolitan Transport System, Transmetro, City de Guatemala.

At the same time, **six sectoral axes** have been considered that will deal with, in an inter-related way, the performance of the transport services: (a) **maritime ports**, (b) **aeronautic airports**, (c) **railway** (d) **terrestrial (road infrastructure)**, as well as the services of (e) **coordinated management of borders** and (f) **urban logistics**

For each transversal or sectoral axe there are objectives established, guidelines and regional strategies that ensure the coordination and complementarity of the projects that are implemented at a national and regional level. The guidelines and sectoral strategies will orientate the master plans and the financing of action in the sectors of mobility and logistics, also they will address elements that promote an ordered planning, an effective implementation and coordination and capacity generation.

TABLE 1 | Transversal Axes y Policy Sectors

Axes	Areas of Intervention	Responsible o Implementor ¹	Vision	Objective
•Area of Production and Trade	•Investment in economic and productive infrastructure for the regional integration of the value chain.	COMIECO COSEFIN COMITAN	“Central America will have the infrastructure, the equipment, the framework regulations and the institutionality in the areas of mobility and logistics that allow the contribution to the transformation and diversification of the productive devices, trade facilitation in the competitiveness of exports, the articulation of regional value chains and the achievement of levels of sustainable growth.”	“To promote the sustainable growth of the production and trade of goods and tradable services “through the provision of priority infrastructure logistic, facilitating the integration of value chains, and the increase of added value to the production and the improved competitiveness of the economies with a positive impact on the quality of life of the population through the provision of infrastructure, attracting fresh investment and employment generation.”
	•Facilitation of trade and the reduction of obstacles to free transit of merchandise, people and vehicles. To improve the logistical performance in the region: institutionality, regulatory frameworks, procedures and systems.	COMIECO		
	• Improve the performance of logistics in the region: institutionality, regulatory frameworks, procedures and systems.	COMIECO COSEFIN COMITAN		

People Mobility Services	of of	<ul style="list-style-type: none"> • Modernization of Infrastructure for Circulation and Vehicle Parking. • Mobility Management: Security, Regulation and Normatives • Improvement in the Quality in the Service of Public Transport. • Institutional Strengthening. 	COMITRAN	<p>“Central America will have an Intelligent System of Mobility for People, which guarantees to the users, fair accessibility, reliability, security, comfort and environmental sustainability.”</p>	<p>“To develop a modern sustainable system that permits the mobility of people in an efficient, comfortable , reliable, accessible, economic, inclusive, and safe way, through effective articulation of the different modes of transport, under updated framework regulations and a strong institutionality.”</p>

¹ The responsibilities that have been assigned are indicative and not exclusive, since there will be cases where there will be overlapping responsibilities between the Committees. Also, there will have to be coordination with other institutes that form an important part of the development of the actions, such as the participation of the private sector.

Axes	Areas de Intervention	Responsible o Implementor	Vision	Objective
Coordinated Management of Borders	<ul style="list-style-type: none"> • Modernization of infrastructure and equipment, as well as accelerating the controls in order to increase the operating efficiency at the borders, meaning the circulation of people and goods from one country to another. 	COMIECO	<p>"Contribute to the establishment of a Central American Custom Union, through a model of managed coordinating of borders that improve the transit of people and goods, the provision of tax revenue, control and security, in such a way that the times and costs of transport through border are reduced in the region " .</p>	<p>"Central America will be a region where people and goods transit in a fast and efficient way through its internal and peripheral borders in such a way that the costs and handling times for goods are reduced, there is increased efficiency of the movement of people at the borders points, the competitiveness is raised of the exports and the Central American economies are boosted".</p>
	<ul style="list-style-type: none"> • Regulation harmonization in customs, migration, COMIECO, sanitation, commercial and security. 	COMIECO		
	<ul style="list-style-type: none"> • The strengthening of the institutions in the border points, of COSEFIN and its operational technical capabilities. 	COSEFIN		

Airport-aviation Services <ul style="list-style-type: none"> • Airport-Aviation System Operability • Improvement of "Logistics Support Zones" in airports. • Processes and procedures in airports. • Productivity of labor in the airports. • Market strengthening. 	COMITRAN	<p>"Central America will provide high quality airport and port services, due to having modern air terminals, with infrastructure, processes, personnel and equipment of the highest level, that will permit aircraft flight control, the adequate control of the flow of passengers and goods; and will have integrated zones of logistics activity, that provide storage services, distribution and effective management services for the cargo"</p>	<p>"Raise the quality of air services, both for the transport of passengers and for the management of cargo of high added value, in such a way that a logistical platform of global importance is created in the region, in which aeronautic clusters will be developed, promoting regional exportations, favoring multimodal transportation and zones of logistics activity, stimulating the establishment of new service providers for aviation systems and strengthening tourism in the region, contributing to raise the competitiveness of Central American businesses and the social development of the region."</p>

Axes	Area of Intervention	Responsible o Implementor ¹	Vision	Objective
Maritime – port services	<ul style="list-style-type: none"> • Improvement of the offer of maritime transport. • Improving the operative capacity of ports. • Development of logistic port zones. • Improving the institutional capacity of the maritime administrations, such as the competencies and capacities of the maritime port personnel. • Conservation of maritime and coastal areas. 	COMITRAN	“Central America will be a competitive region, integrated into the global maritime trade”.	“Turn Central America into a competitive region, integrated into the global maritime trade, boosting development and efficiency through its offer of ports and adapting its framework regulations to international standards in order to transform itself into a regional logistical platform of high global relevance and to contribute to the improvement of external trade and the commercial integration and productivity in Central America”.
Railway Transportation Services	<ul style="list-style-type: none"> • Development of systems of railway infrastructure and intermodal connection infrastructure. • Strengthening the administration of railway systems. • Training of railway system personnel. • Relocation of established railway routes. • Sustainable financing mechanisms defined. 	COMITRAN	“Central America will have a modern railway system, with a fleet of trains and a railway network according to international standards that will provide transport services for people and goods in an economic, safe and sustainable manner, and will integrate with the railway networks of Mesoamerica, the United States and Canada, contributing to facilitate regional trade and reduce the operating costs of businesses and elevate the competitiveness of the economies of the region”.	“Reactivate the national railway systems through models of effective and sustainable modern management, that offer transport services for people and goods, efficient, safe, sustainable and of low cost, that integrate the multimodal logistics system in the region (road, sea and air transport) and the railways of Mesoamerica, with the aim of stimulating the exports towards North and South America, reducing the costs of the maintenance of the railway network, favoring the conservation of the environment, elevating the competitiveness of the Central American economies and contributing to the economic and social development”.

Axes	Area of Intervention	Responsible o Implementor ¹	Vision	Objective
Road infrastructure and terrestrial transport services.	<ul style="list-style-type: none"> To improve the quality and capacity of the road network: highways, bridges, roads, tunnels, drainage systems, rural roads, urban crossings and other crossings. The strengthening and sustainability of the road infrastructure. The increase in coverage and connectivity of the road network, in accordance with the different modes of transport including rural roads; The improved resilience and security of the infrastructure. The improved quality of the offer of transport services, improved institutional capacity and regulatory framework related with road infrastructure. 	COMITRAN	<p>“Central America will be a region with an integrated, modern and resilient infrastructure, capable of guaranteeing effective, economic, universal and safe mobility, such as efficient transport of goods across its territory in order to strengthen productivity and competitive insertion in the international trade market”</p>	<p>“Widen, renovate, modernize and conserve the system of roads, bridges, tunnels and others crossings, according to the accepted international quality standards, in such a way that the region strengthens its integrated managed of the transport assets that consist of functional, resilient and safe logistic corridors, duly aligned with the different modes of regional transport through which effective and efficient mobility will be developed for people and goods, stimulating trade, the connectivity between centers of production – consumption and promoting the development and integration of the economies of Central America”.</p>
Urban Logistic Services	<ul style="list-style-type: none"> Connection of the strategic logistic corridors both nationally and regionally, with access to the urban areas. Modernization and development of the infrastructure and equipment of logistic platforms that favor distribution in urban areas. Improve the quality of the offer of urban logistic services. Strengthening institutionality. 	See note at the bottom of the table.	<p>“Central America will have an Intelligent System of Cargo Transport in the urban areas, that integrates in an efficient manner the different modes of transport in order to provide economic, accessible and high quality logistics services, that caters to both the needs of the producers, distributors and consumers, such as pedestrians and passengers; that allows the city to be more ordered and offers optimal conditions for the distribution of goods; in this way favoring the competitiveness of the businesses, the facilitation of trade and development of the region”.</p>	<p>“Optimize the distribution of products in the cities of the region, through the development of an Intelligent System of Cargo Transport, that improves the urban logistics from a systematic viewpoint of a model structure, to optimize the supply chains of the goods, reducing the costs of operations of the productive units, facilitating the regional trade, improving the competitiveness of the exports and helping streamline the economies of Central America.”</p>

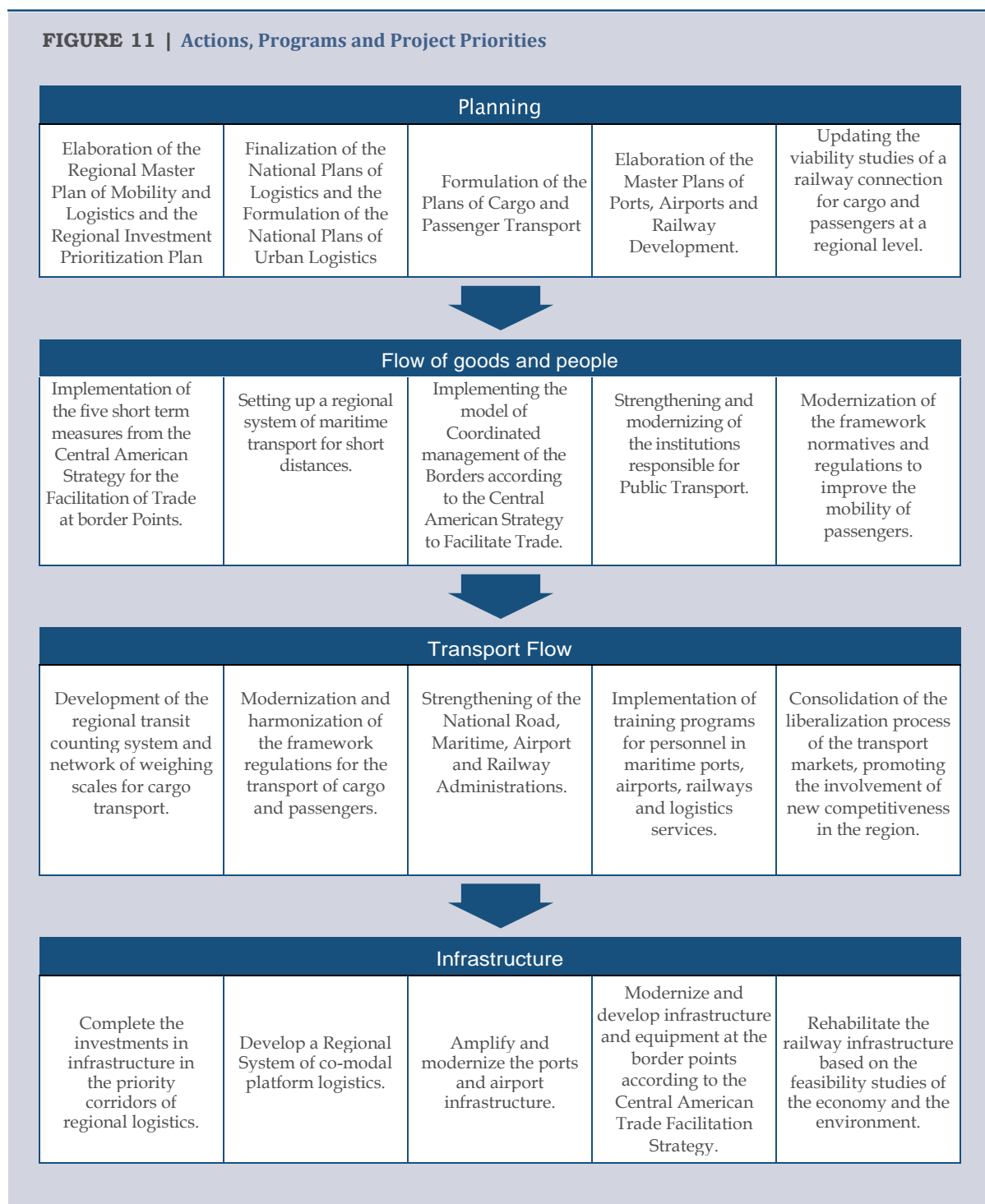
NOTE: The logistic services in the urban areas of the 6 countries are not always under the responsibility of the Ministries of Transport, which is why it should be defined which body in each country must control the areas of intervention in each axis.

In Annex 1, the specific guidelines of each one of the Transversal and Sectoral Axes are detailed with its corresponding area of intervention.

2.9. Actions, Programs and Project Priorities

The Policy takes into account a series of prioritized initiatives that work together in order to support the strengthening of the regional value chain, in such a way that through this strengthening, the agenda of competitiveness is boosted in the Central American countries.

FIGURE 11 | Actions, Programs and Project Priorities





The new locks of the Panama Canal.

The Policy Framework must not be understood as the sum of sectoral policies that deal with specific problems in an independent manner, but more as a policy matrix that decides, complements and reinforces at the same time.

The steps to adopt must be planned and implemented with a view to strengthening the regional value chains, adequately articulating the programs and sectoral projects, in such a way as to integrate efficiently, both the different modes of transport, and the regional logistics infrastructure, in order to generate comparative advantages in the transport of cargo and passengers. In addition, these must be carried out in accordance with the strategic national plans of each country.

For this, it is necessary that the logistic chains in Central America be adequately integrated, in other words, the entrances connecting the ports with the airports (Gateways) and the terminals of handling of cargo flows in ports/airports in land (hinterland), are coordinated and administrated in an efficient manner and count on installations, infrastructure and adequate equipment. With this aim, it must be structured firstly with the Central American Strategy for the Facilitation of Trade, as well as other related public policy instruments.

This requires “proactive and integrated policies that recognize the impact and the responsibilities of the different levels and capacities of the governance of transport, the coherent structural logistics with the territorial spaces and the institutional capacity of the responsible authorities” for its implementation.

In Table 2, the defined actions and prioritized initiatives are summarized by the Policy and its different areas of intervention.

TABLE 2 | Transversal and Sectoral Axes of the Policy

Axes	Areas of Intervention	Responsible o Implementor ¹
Trade and Production Area	<ul style="list-style-type: none"> Complete the investments in infrastructure of the corridors of regional logistics priority. 	COMITRAN / COSEFIN
	<ul style="list-style-type: none"> Implementation of the five short term points defined in the Central American Strategy for the Facilitation of Trade for border prioritization in the six countries. 	COMIECO
	<ul style="list-style-type: none"> Development and implementation of the national logistics plans for mobility and logistics of cargo in the six countries. Development of a Regional System of Logistic Platforms for high impact interventions for the principal production chains. Action plan to ensure resilient transport infrastructure. Regional Program for logistics security. Professionalization of the offers of logistics services. 	COMITRAN
	<ul style="list-style-type: none"> Promotion of innovative sources and models of financing regional infrastructure. 	COSEFIN
	<ul style="list-style-type: none"> Legal framework formulation for the participation of the private sector in the financing of infrastructure. 	COMITRAN COSEFIN
People Mobility Services	<ul style="list-style-type: none"> Elaboration of Integral Plans of Urban Mobility, identifying the needs for infrastructure, normatives, regulators and institutions, such as demands for the cargo transport. Development of prioritized urban infrastructure, with focus on the promotion of public transport of passengers. Development of platforms of urban distribution of passengers. Strengthening of the institutions responsible for Public Transport. Mobilization of Framework Regulation to improve the mobility of passengers. 	Read note at the bottom of the table.
Border Management Coordination	<ul style="list-style-type: none"> Implementation of the five short term points defined in the Central American Strategy for the Facilitation of Trade. Development and implementation of the Border Reform Programs en the six countries, in order to carry out the medium and long term measures identified in the Strategy, in the following components: <ul style="list-style-type: none"> Adoption of International Standards. Interoperability of information. Integral risk management. Reliable operators. Quarantine control. Integration of procedures and controls. Infrastructure and equipment. Border community and safety. Development of management and monitoring indicators for development. 	COMIECO


Axes	Areas of Intervention	Responsible o Implementor ¹
Aeronautic Services and Airports	<ul style="list-style-type: none"> • Expand and modernize the airport infrastructure in Central America, in the context of a development plan of a logistics platform. • Design a plan of investments for the construction and expansion of zones of logistic activity in current and future airports of Central America, as part of the regional logistic plans for development. • Identify the opportunities that are offered globally to establish alliances, accords and agreements that allow a greater offer of air transport and concrete public private investment in the aeronautic sector (APP). • Identification of the innovative mechanisms to finance investment priorities in the aeronautic sector in the region. • Supporting the institutional frameworks of the region with practices and recommendations from the ICAO. 	COMITRAN / COCESNA
Maritime Port Services	<ul style="list-style-type: none"> • Formation of a regional community framework policy for the implementation, articulated and coordinated, of investments in ports infrastructure, the development of logistic platforms that promote the intermodal connections, the adoption of programs for maritime security and the setup of programs to protect the environment, among other aspects of common interest. • Design and the establishment of a regional system of maritime transport for short distances to increase the rates of maritime connectivity at a regional and inter-regional level. • Elaboration of master plans of development for the principal ports of the region, that contemplate the definition of improving infrastructure projects (installations and equipment), harmonization of processes of operations in accordance with international standards, the modernization of legal frameworks, organization and regulatory, and the integration of different modes of transport (inter-operability). • Definition, design and development of specialized logistic infrastructure in the different countries which respects the national logistic platforms, and specifically, the Zones of Logistic Activity. • Design and implementation of a program to update normatives and regulations that encourage an efficient operation of the port terminals, promoting the adhesion, ratification and implementation of the international accords, the adoption of competitive practices in the maritime services and ports, such as the participation of the private sector and the development of port investments. • Development, strengthening and consolidation of the national Maritime Administrations and starting the technical formation programs and training for the maritime or port personnel. • Development of a regional program of coastal integrated management and environmental awareness for the protection, conservation and sustainable exploitation of the marine coastal zones and marine sites, together with the elaboration and development of national contingency plans. 	COMITRAN / COCESNA

Axes	Areas of Intervention	Responsible o Implementor ¹
Railway Transportation Services	<ul style="list-style-type: none"> • Elaborate a Regional and/or National Master Plan for the development of the railway network. • Carryout or update economic, financial, social and environmental studies on the development of a railway connection for cargo and passengers at a regional /or national level. • Carry out a census of human settlements located in the rights of way. • Develop the legal normatives to regulate the railway system in the countries of Central America. • Promote the recovery and modernization of the existing railway connections prioritizing the sections to develop. • Develop and modernize the passenger train system. 	COMITRAN
Road infrastructure and terrestrial transport services.	<ul style="list-style-type: none"> • Accelerate the modernization and extension of the regional and national priority corridors of logistics, according to the compatibility and the design of physical operations. • Modernization and harmonization of the framework regulations to improve the provision of terrestrial transport services of cargo in the region to strengthen the competitiveness. • Develop programs of rural roads that facilitate their interconnectivity with the access roads towards the centers of trade and consolidation of cargo. • Elaboration and implementation of the Regional Logistics Security Program. • Improve the road connectivity with the multimodal terminals, for both cargo and passengers. • Develop a regional system to count traffic and a network of scales for weighing the transport of cargo. • Elaboration or updating of master plans for road development. 	COMITRAN
Urban Logistic Services	<ul style="list-style-type: none"> • Elaboration of Urban Logistic Plans for the management of cargo in the Central American countries. • Finalizing and implementation of the National Plans for the logistics of cargo in the 6 countries, identifying the principal areas of logistical activity that must be strengthened in the region. • Planning and development of Urban Logistic Platforms, such as centers integrated with goods, dry ports, zones of logistic activity and sea ports and airport etc. • Updating and harmonizing the national and regional normatives for the transport supply chain, that include the necessary elements for an effective adaption to climate change , management of risks and minimizing the negative environmental impacts. 	Read Note at the end of table.

¹ The responsibilities that have been assigned are indicative, not exclusive, since there will be cases where responsibilities overlap between the Committees. In the same way, they will have to coordinate with the other institutions that form an important part of the development of the actions, such as the participation of the private sector.

NOTE: The logistic services in the urban areas of the 6 countries are not always under the responsibility of the Ministries of Transport, which is why it should be defined which body in each country must control the areas of intervention in this axis.





CHAPTER 3: Legal Framework and Pillars for the implementation and sustainability of the Policy Framework

Given the traditional and emerging challenges of logistics and mobility in the region, the current public policies in Latin America have a series of restrictions that directly affect the capability of effectively resolving the traditional and emerging problems.

Among the principal failings is the poor capability to effectively achieve a comprehensive approach of integrating all the sectors of logistic and mobility that would permit the management of large volumes at lower economic costs without affecting the quality of life of the population; coordinate the logistics and mobility activities with other public policies orientated towards national development; to manage financing for the infrastructure and its services through new and flexible mechanisms particularly providing the institutional capacity to continue the full cycle of development in a way that achieves solutions in the long term with a vision as a country.

3.1 Regional Legal Framework

The Central American Regional Policy Framework is supported by Article 28 of the Central American Economic Integration General Agreement (Guatemalan Protocol), which establishes that the States

will promote the development of physical infrastructure and services, particularly energy, telecommunications and transport, in order to increase the efficiency and competitiveness of the productive sectors, at a regional, national, and international level.

This Policy Framework must be based on, and at the same time, strengthen and boost the political and legal instruments of regional integration, such as regulations or normatives of a relevant regional character, including those which can be incorporated into the Central American Integration System (SICA), and the Central American Economic Integration Sub-system.

The regional regulation must be constructed gradually. The first steps can be constituted by sub-regional regulations, for example: weight and dimensions for road traffic, chassis size and systems of signalization standards for railway transport, beacon systems and signalization for water navigation, just to name a few examples.

Later, activity regulation can be discussed, as requirements to enter and provide professional services in the region, maximum age of fleets of transport, security requirements and satellite systems logistics tracing, etc.

Until achieving the ability to construct regional regulatory instruments that provide guidelines for technical and economic regulations for the strengthening of competitiveness at a sub-regional level and the promotion of strategic investments.

3.2. Pillars for the Implementation and Sustainability of the Policy Framework

The Policy Framework establishes 5 pillars for its sustainable implementation; they are portrayed visually in figure 12.

3.2.1 Institutional and Regional Coordination Scheme for the Implementation

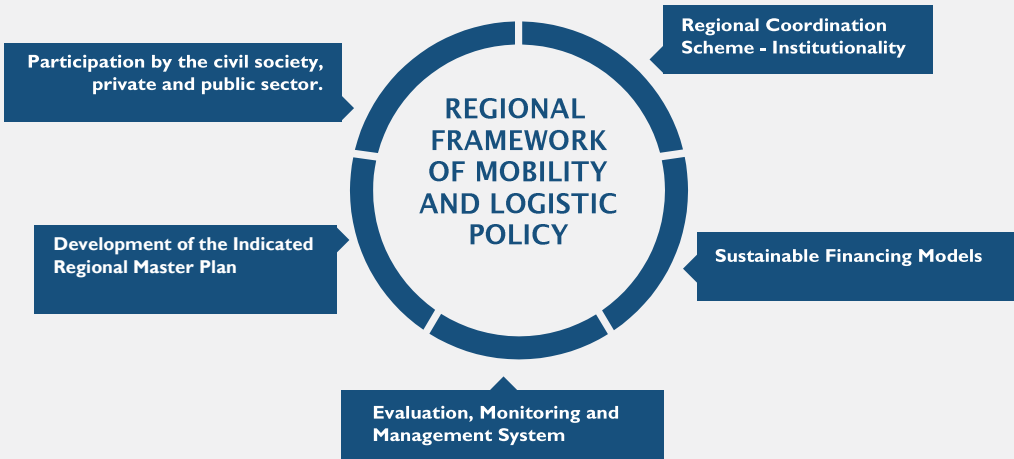
Central America can achieve a favorable and advantageous insertion in regional and global dynamics, especially towards the North American market, as it achieves higher levels of effective integration and competitiveness, elevating knowledge and human talent, the sustainability of societies, economies and territories and carrying out interactively leaps of scientific and technology.

In this context, the Policy Framework must generate the mechanisms and the political dialog necessary to find new solutions and responses to the current realities of the countries, supporting them in:

- Integrate efficiently and establish common criteria with other countries,
- Update and modernize conception planning, implementation and follow up of their policies,
- To gather a long term vision and define and implement a regional investment plan both for new infrastructure and for the maintenance of the existing infrastructure.

This mechanism must be seen as a process of continuous improvement, in which there is progressive advancement towards higher levels of better consensus and integrating new challenges that arise in changes in geopolitics, infrastructure, technologies or external factors in the region that affect the strategy, development and regional integration,

FIGURE 12 Pillars for the implementation and the sustainability of the Policy Framework.



where the effective planning of infrastructure and the regulation of services results in very sensible geographical and institutional spheres – national or international – in their application. Therefore, by respecting institutional times, recognizing the valuing differences with respect to the model through which each society legitimizes its development, it is required a structure capable of anticipating the large changes in order to generate political dialog and to take opportune decisions in order to reach the anticipated results both nationally and regionally.

Along with this, the Policy Framework coordinates the investigation and management of knowledge of the countries of the region, with mobility and logistics, establishing channels of constant and stable information in order to progress towards a regional integration and facilitation of trade.

Mechanisms for Public – Private Dialog and Agreements

In order to achieve full regional integration and, therefore, the connection of common policies, the necessary level of trust is required, both political and institutional, to ensure a process of dialog and agreement for each one of the governments and its citizens and that the process of integration generates benefits in the quality of life and the development of each nation, better than that which they would achieve independently. Together with reinforcing connectivity and facilitation, institutionality must be reinforced in terms of the regional regulations, where the generation of mutual trust will be key to managing asymmetries, harmonizing government actions, ensuring an integrationist commitment that transcends time and an institutionality that favors dialog and public-private participation at all levels.

For this reason, the Policy Framework requires the establishment of a mechanism of dialog and

intersectional agreement, between COMITRAN, COMIECO and COSEFIN, that provides the necessary political will, and also, its respective plan for work and investment. The SIECA, in coordination with the pertinent technical secretaries, will call these intersectoral meetings of ministers to ask of its members and push for the correct implementation of the intersectoral Committee decisions. It will promote the development of periodic meetings between said committees in order to evaluate the progress of the implementation of this Policy.

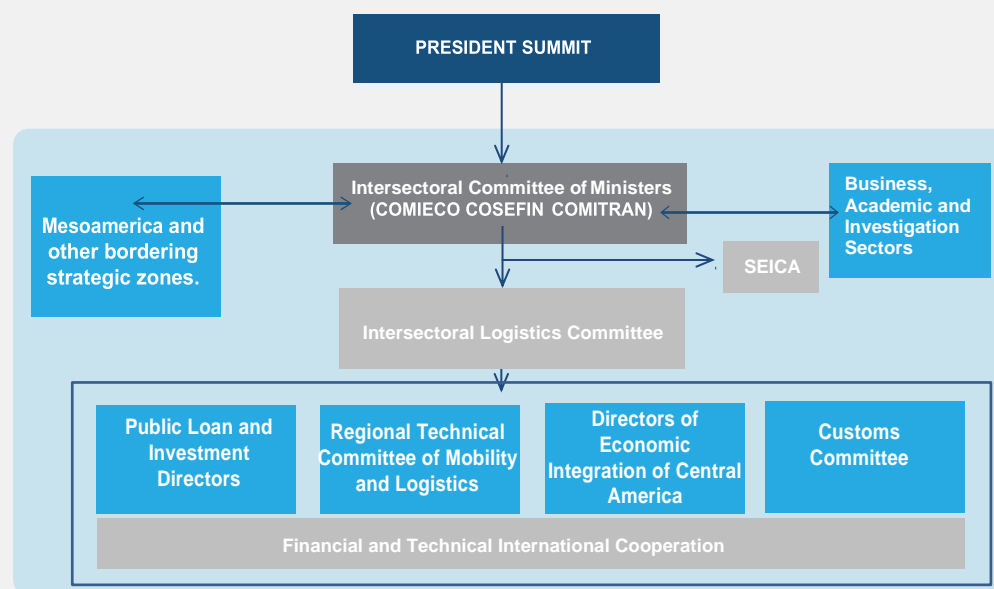
Structure of coordination and work

The implementation of this Policy Framework must be backed up by a strong institution, that integrates and coordinates, at a regional and national level, the public institutions, government and non-government institutions and academic institutions linked to mobility and logistics. The increasing success will be seen in each of the institutions of the sectors strengthening their internal capacities, principally for the development of the tasks that apply to them according to the current regulations, including the modernization of the legal frameworks, the revision and improvement of the internal processes, the development of the human skills and capabilities and the creation of a favorable culture for productivity.

Furthermore, it is necessary to develop a dialog of public-private discussion, in which there will be a constant systematic process of communication, with the objective of taking into consideration the proposals that arise in the making of decisions about politics and projects that contribute to the subsector development sectors, value chains or certain conglomerates, whose influence can be local, municipal, departmental, national or regional.

The main actors that interact with the development of the Policy Framework are described in the structure presented in the above figure (figure 12).

FIGURE 13 Coordination Scheme



I. INTERSECTORAL COMMITTEE OF MINISTERS (COMIECO, COSEFIN y COMITRAN)

Meetings of the Committee of Ministers must be institutionalized, with COMIECO, COSEFIN y COMITRAN (Intersectoral Committee of Ministers), as a spearhead of the Regional System of Mobility and Logistics, whom will be responsible to lead the implementation of the Political Framework.

The Intersectoral Committee is responsible for coordinating the actions related to mobility and logistic matters, - linked with regulation, construction and modernization of infrastructure, development of regional systems of transport, etc. - with initiatives that boost other ministries of the State i relation to the Policy Framework, in such a way that it considers all the intervention areas of the Central America governments and is positioned as a policy of the State in each country.

The Committees will maintain the agenda of the President Summit Central American Integration System and the themes of mobility and logistics and will be pursued so that the strategies, lines of actions, programs and projects that the Policy demands are sustainable, unaffected by the electoral cycles of the government.

Furthermore, they will be responsible for consolidating alliances, with the support of SIECA, with international partners: governments, agencies of cooperation, financial institutions and multilateral organizations, which contribute to ensure the resources are allocated for the identified projects. Through these alliances, technical and financial support will be provided to the region in order to guarantee the optimal implementation of the Policy Framework.

II. INTERSECTORAL LOGISTIC COMMITTEE – CLI –

For the implementation of the guidelines in this Policy, the leading entity will be supported by the CLI conformed by:

- Central American Council of Ministers for Economic Integration (COMIECO).
- Public Loan and Investment Directors (COSEFIN).
- Regional Mobility and Logistic Technical Committee (COMITRAN).
- Customs Committee

This Committee will be supported by SIECA. The Commissions or the National Logistic Committee from each country, integrated by representatives from ministries, autonomous institutions, superintendents, general directors and other public entities related to the areas of mobility and logistics.

The CLI will coordinate the process of the implementation of the Policy Framework, together with the respective national entities of mobility and logistics, with technical and financial accompaniment of financial and cooperative organizations and other bodies related to the matter. At the same time, they will be responsible for coordinating the inter-institutional efforts in order to ensure the synergy, the complementarity and the shared work and integration of the public and private institutions, of a national state or regional state, such as Trade Facilitation Technical Group, promoting the mutual potential of the investments of the public and business sectors.

III. BUSINESS, ACADEMIC AND RESEARCH SECTORS

The representatives of trade unions and associated businesses, academic institutions, research centers and private organizations

linked with this Policy Framework should participate as consulting entities, in that way the main functions for this sector will be:

- To boost and evaluate the strategies, master plans, joint initiatives and strategic projects, derived from the Policy Framework.
- Promote the sensibilization and socialization between the institutions, and
- To provide permanent technical consulting to the institutions of the State in their different levels of territory, about mobility and logistic matters.

The participation of the business sector will be coordinated by the Economy Integration Consultation Committee, CCIE, for proper compliance of the functions previously described.

IV. INTERNATIONAL TECHNICAL AND FINANCIAL COOPERATION

The cooperating organizations that participate in this initiative, will act to:

- Accompany the technical and financial development of the Policy Framework, in order to guarantee its optimal implementation.
- Accompany the formation and implementation of initiative plans, projects and programs prioritized and identified in the Master Plan of the Policy Framework.
- Generate proposals to simulate the implementation of the Policy Framework.
- Generate innovative proposals of mechanisms for sustainable finance.

3.2.2 Civil Society, Private and Public Sector Participation

The Policy Framework is called to boost the economy and contribute to human development, achieve its highest potential and its greatest success in accomplishing its objectives, in the way that it operates as a great public y private venture, that brings together talent, knowledge, initiatives, effort and resources, in that the academy plays an important role in research and formation.

Role of the Private Sector

The private sector has a strategic, subsidiary and prospective role in the journey of the regions towards prosperity and development, as an investor, generating jobs, boosting the economic activity that allows an abundance of possibilities in social development and the satisfying internal demand and, when it corresponds, a role as a builder of human capital.

The Policy Framework must coordinate the efforts of investigation and management of the knowledge of the countries of the region, relating to mobility and logistics, and establish channels of constant and stable information in order to progress towards an integrated region and to facilitate trade.

Public Sector Role

The States play the role of manager, guidance leader and regulator, and in the same way, a role facilitating the economic activity and inside of that, the improvement of productivity and the facilitation of trade. The integrated approach in addressing logistics and mobility implies the intervention, or at least, the permanent monitoring of the public sector in a great deal of aspects, including some that have been traditionally considered inside the

scope of only the private sector. Even when the logistic activities are conducted fundamentally in the private sector, the role of the public sector in the area is decisive, due to its action in defining the development conditions for the private sector, furthermore, it must act on the negative externalities that these operations generate. The public sector has at its disposal instruments that impact in a determined form the performance of the multiple parties in the area of logistics and mobility. These include:

- Provision and improvement of infrastructure. Overseeing public investment in the diverse modes of transport, energy, telecommunications, water and sanitation, such as decisions about the location and methods of management of the assets (public, private and mixed) that can influence the performance.
- Regulation of the transport services. Considering both technical regulations (for example, weight measurements and dimensions of road transport, signalization and beacon systems) and commercial regulations (tariff regulations to service providers).
- Actions supporting private performance. Including training initiatives to businesses PYME and boosting the networks of platform logistics.
- Management of the processes of commercial facilitation. Considering both the formulation and the implementation of the regulations and the related processes to the facilitation of trade.

The actions of the public parties involved in these mechanisms, impulse strategic and commercial decisions throughout the length of the supply chain and the mobility operations over the decisions of localization of the activities, being strong determiners of its performance and the support of the territory.

Only in the area of logistics, this implies decision making and, if it corresponds, public actions in such themes as the development of logistic platforms, strengthening the value chain nationally, regionally and globally, such as urban logistics and the last mile.

3.2.3 Sustainable Finance Models

The Policy Framework, its programs and projects, must have integral, sustainable and growing finance, which must focus on boosting an effective strategy.

The full development of the Political Framework demands the identification of innovative models of finance, such as public-private association schemes, financial tools to guarantee private investment; exploring new streams of incomes in order to increase the capacity of investment in the region, for example, increasing the association of commercial activities with infrastructure and recovering portions of the benefits gathered from the user through pay per use charges.

To do so, an integral strategy must be developed that: activates, diversifies and maximizes the diverse sources of national and international resources, that incentivize and convene private investment in the region, that includes sources and modalities of sustainable finance such as: national private investment, direct foreign investment, investment from fellow nationals abroad; taxation or investment from the State budget; financing with the emission of financing instruments and equities; reimbursable finance, public-private partnerships; official help from development; Furthermore, the countries must make efforts in the technical and financial planning of the projects derived from this Policy, in such a way that they look for, among others, the following:

- Development of a regional plan for prioritizing and agreeing on investments between countries.
- Channeling resources (from budgets or revolving funds) for pre-investment, in such a way as to have a critical mass of project lists for development of the investment stage.
- Design projects in such a way as to ensure the provision of infrastructure and the adequate levels of service during the design life, which implies thinking of schemes – plus medium contracts – long term with mechanisms for payments for performance.
- Carry out the analysis of fiscal risk and finance derived from projects that require development through the mechanisms of public-private alliances or other innovative schemes.

To achieve efficiency, the policy incentivizes a greater coordination, synergy and complementarity of the sources of finance, eliminating the fragmentation and dispersion of the cooperation. In this way, the finance is obtained in the framework of the Policy Framework.

In the same way, a more efficient division of work will be provided that gives potential to the strategies, comparable advantages and the expertise of each donor, achieving a higher coordination of actions.

For its part, the Members of the Intersectoral Logistic Committee in coordination with their committees or the national logistic authorities will promote spaces for coordination and mechanisms that improve the communication between them and the linked government institutions.

3.2.4 Systems of Evaluation, Monitoring and Management

Given the relevance that the infrastructure projects and the logistic services represent for countries and for the same process of regional integration, to generate tools of analysis at a regional level is fundamental in order to orientate actions and evaluate at a more amplified level the logistic performance and the same process of integration. The promotion of logistic services of added value, such as the participation in value chains, regional or global, demand the construction of quality monitoring indicators of the services, the times to cross borders and other problems of commercial facilitation and of transport that could affect the competitiveness of the logistic corridors. In the same way, the creation of indicators can be a useful tool to support decision making in transversal topics such as security logistics, the public-private cooperation, energy efficiency, and other aspects, allowing the comparison with other commercial initiatives and the integration in a regional and international context.

In this context, for the appropriate follow up, evaluation and monitoring of the implementation of the Policy Framework, it is required the adoption of a system that has the following:

i) Management indicators that provide information about the advances in programs, plans and projects and;

ii) Performance indicators and results, that identify the associated impacts of the implementation of the programs, plans and projects over the projected objectives and goals; and iii) Complementary indicators that facilitate the making of decisions to strengthen a particular course of action, the orientation of resources and other strategic themes.

3.2.5 Bases for the elaboration of the Regional Master Plan Indicative of Mobility and Logistics.

The Policy Framework must translate into an indicative Regional Master Plan that integrates the plans, initiatives, programs and projects according to the countries of the region relating to mobility and logistics. The region has a number of considerable studies that constitute a strategic input for regional planning.

The Master Plan considers programs, goals and identifiable, verifiable and evaluable projects, and will be elaborated by the CTRLML, in coordination with CLR, and with technical support and financing of the cooperating organizations, approved by COMITRAN and consulted by the Intersectoral Minister Committee. In this process, it is necessary to have a tight coordination between COMITRAN, COMIECO and COSEFIN, in the end to articulate from these moments, the priorities of the regional projects and their links with the national and regional strategies of investment, among others.

The Master Plan must identify methods of sustainable finance for each State, and in a regional form, propose mechanisms of participation of the private sector, so that the implementation is ensured.

This Master Plan, as in each Project that is integrated in the same way, must be, as it corresponds, integral and integrated and to be

rigorously aligned to the achievement of the principles, objectives and general guidelines of the Policy Framework.

3.3. Bases for the Construction and Consolidation of the Regional System of Mobility and Logistics

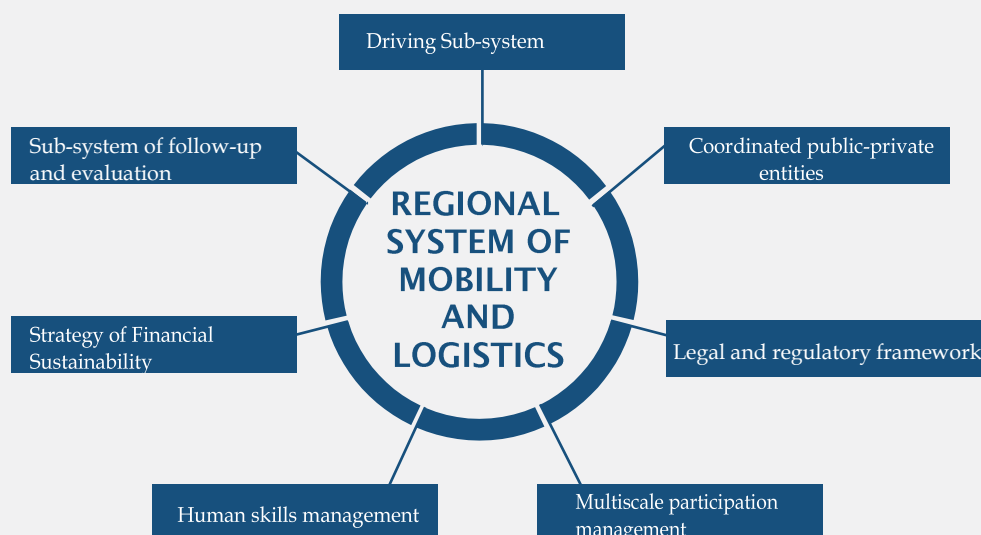
The Policy Framework requires the construction and consolidation of the Regional System, formed for the joint entities and their plans or programs of each State and the region.

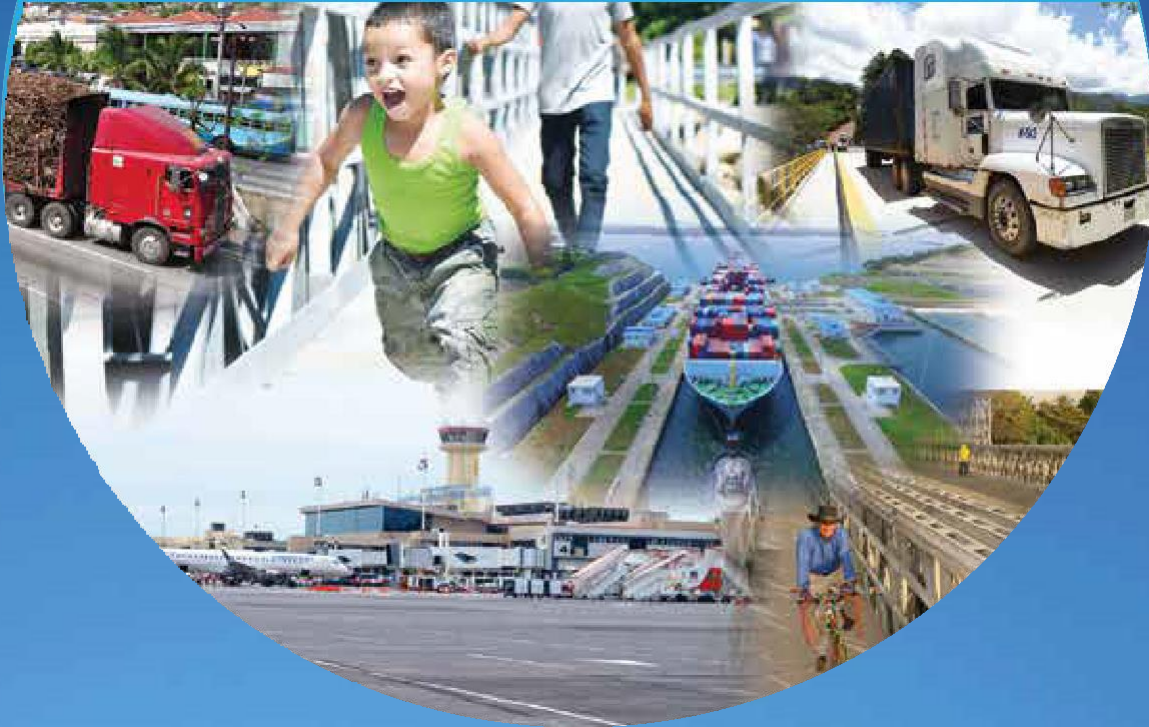
The Regional Mobility and Logistics System is comprised of the modes and services of transport logistics in the geographical areas of development, that contribute to the facilitation of trade and to the improved competitiveness, among other aspects of the Political Framework. It must have as an objective, to strengthen the infrastructure and regulations related to mobility, logistics and transport, to make the region more competitive in a regional and international context.

The Regional System must strengthen among others: the free trade zones, the progress of the countries to construct a Custom Union, and the construction of a Central American Common Market which implies the coordination of the productive policies, such as involving the Border Coordination Management, according to the Central American Trade Facilitation and Competitiveness Strategy with the participation of all the involved institutions.

This Regional System requires the formation of various components that must function in a complementary manner, coordinated and coherent in order to deal with the challenges and demands that the region confronts, also requires that each institution and the related entities with this Policy blend together and assume the role of implementer and coordinator that corresponds to each one, and obtaining the highest level of effectiveness in the development of the task that they carry out. In this way, an adequate and profound definition of Regional System is required, its components and its interaction, could be constituted by:

FIGURE 14 Regional Components





— P O L Í T I C A —

MARCO REGIONAL DE MOVILIDAD Y LOGÍSTICA

DE CENTROAMÉRICA

"Central America will be a more integrated and competitive region, that mobilizes its population and supply chain in an effective manner, that increases and diversifies its trade, that improves its complementarity and the productive transformation of the region (value chains), promoting a sustainable territorial development, balanced and resilient and improving the quality of life of its population."

